



CITY OF DETROIT
LAW DEPARTMENT

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September 6, 2019

Detroit City Council
1340 Coleman A. Young Municipal Center
Detroit, Michigan 48226

Re: Amendment To Chapter 8, *Building Construction and Property Maintenance*, Article XV, *Property Maintenance Code*, Division 3, *Requirements for Rental Property*, by adding Subdivision C., *Short Term Rentals*, to include Sections 8-1-100.1 through 8-1-100.14

Honorable City Council:

The Law Department has prepared an ordinance proposed by Council Member Janeé Ayers, which addresses short term rental activity within the City of Detroit. This local law will be amending the codified 1984 Detroit City Code that goes into effect on October 1, 2019, specifically Chapter 8, *Building Construction and Property Maintenance*, Article XV, *Property Maintenance Code*, Division 3, *Requirements for Rental Property*, by adding Subdivision C., *Short Term Rentals*, to include Sections 8-1-100.1 through 8-1-100.14, to define terms; to create a registration process; to require submission of an affidavit and an application fee; to set criteria for the application; to establish general provisions for operations of short term rentals; to establish requirements for short term rental platforms; to set forth an appeals process and to provide for violations for failure to comply with the requirements set forth in this ordinance. A copy of the ordinance, which has been approved as to form, is attached for your consideration.

I look forward to discussing this important legislation with this Honorable Body.

Respectfully Submitted,

Mary Parisien
Assistant Corporation Counsel
City of Detroit Law Department
Municipal Section

S U M M A R Y

AN ORDINANCE to amend Chapter 8 of the 1984 Detroit City Code, *Building Construction and Property Maintenance*, Article XV, *Property Maintenance Code*, Division 3, *Requirements for Rental Property*, by adding Subdivision C, *Short Term Rentals*, to include Sections 8-15-100.1 through 8-15-100.14, to define terms; to create a registration process; to require submission of an affidavit and an application fee; to set criteria for the application process; to establish general provisions for operations of short term rentals; to establish requirements for short term rental platforms; to provide for enforcement for failure to comply with the requirements set forth in this ordinance, and to provide an appeal process.

1 **BY COUNCILMEMBER** _____ :

2 **AN ORDINANCE** to amend Chapter 8 of the 1984 Detroit City Code, *Building*
3 *Construction and Property Maintenance*, Article XV, *Property Maintenance Code*, Division 3,
4 *Requirements for Rental Property*, by adding Subdivision C, *Short Term Rentals*, to include
5 Sections 8-15-100.1 through 8-15-100.14, to define terms; to create a registration process; to
6 require submission of an affidavit and an application fee; to set criteria for the application process;
7 to establish general provisions for operations of short term rentals; to establish requirements for
8 short term rental platforms; to provide for enforcement for failure to comply with the requirements
9 set forth in this ordinance, and to provide an appeal process.

10 **IT IS HEREBY ORDAINED BY THE PEOPLE OF THE CITY OF DETROIT THAT:**

11 **Section 1.** Chapter 8 of the 1984 Detroit City Code, *Building Construction and Property*
12 *Maintenance*; Article XV, *Property Maintenance Code*, Division 3, *Requirements for Rental*
13 *Property*, Subdivision C, *Short Term Rentals*, by adding Sections 8-15-100.1 through 8-15-100.14,
14 to read as follows:

15 **CHAPTER 8. BUILDING CONSTRUCTION AND PROPERTY MAINTENANCE**

16 **ARTICLE XV. PROPERTY MAINTENANCE CODE**

17 **DIVISION 3. REQUIREMENTS FOR RENTAL PROPERTY**

18 **Subdivision C. Short Term Rentals**

19 **Sec. 8-15-100.1 Purpose.**

20 To protect the public peace, health, safety and welfare by establishing a procedure for the
21 short term rental of private residences of City residents; to preserve the character of residential
22 districts; to preserve the value of property in residential districts; and preserve the peace, good
23 order, comfort, and welfare of the inhabitants of and visitors to the City.

1 **Sec. 8-15-100.2. Definitions.**

2 For the purposes of this article, the following words and phrases shall have the meanings
3 respectively ascribed to them by this Section:

4 *Apartment* means a one-family living space having one or more rooms located within a
5 building, and containing a kitchen equipped with a sink and a bathroom equipped with a bathtub
6 or shower, a lavatory, and a toilet or water closet as set forth in Section 8-15-3 of this Code.

7 *Applicant* means a person who owns and has lawful possession of a property that is
8 applying for a short term rental registration.

9 *Bedroom* means a room that complies with the requirements set forth in Section 8-15-3 of
10 this Code.

11 *Blight violation* means any unlawful act, or any omission or failure to act, which is
12 designated by this Code as a blight violation pursuant to Section 4l(2) of the Michigan Home Rule
13 City Act, being MCL 117.4l(2) and Section 8-15-3 of this Code.

14 *Calendar days* means every day shown on the calendar including Saturdays, Sundays, and
15 State and Federal holidays.

16 *Compensation* means money or other consideration given in return for occupancy,
17 possession or use of the residence.

18 *Department* means the City of Detroit Buildings, Safety Engineering, and Environmental
19 Department.

20 *Dwelling unit* means a single unit providing complete, independent living facilities
21 occupied, or intended to be occupied, in whole or in part by one or more persons, including
22 permanent space and provisions for living, cooking, eating, sanitation, and sleeping as set forth in
23 Section 8-15-5 of this Code.

1 *Guest* means any person who exercises use of the residence for lodging, or
2 accommodations in a short term rental by compensation or any consideration.

3 *Host* means a person that facilitates the booking of a short term rental property and for
4 purposes of this Subdivision is the person who owns the property and holds legal or equitable title
5 and resides on the premises at least nine months of the calendar year. A host must be an individual
6 and may not be a business entity, property management company or organization.

7 *Hosting platform* means an entity that facilitates short term rentals through advertising, or
8 any other means and from which the platform derives revenues, including, but not limited to
9 booking fees from providing or maintaining the marketplace.

10 *Linear measurement* means measurement between two short term rentals, measured along
11 the centerline of the roadway abutting the lots on which the short term rentals are located, at points
12 perpendicular to the outermost portions of the short term rentals closest to each other. This spacing
13 requirement applies regardless of the side of the roadway on which the short term rental is located.

14 *Local contact person* means the owner or a person designated by the owner, who is
15 available 24 hours per day, seven days per week for the purpose of:

- 16 (1) Being able to physically respond, as necessary, within one hour of
17 notification of a complaint regarding the condition, operation, or conduct of
18 occupants of the short term rental property; and
- 19 (2) Taking remedial action necessary to resolve any such complaints.

20 *Principal Residence Exemption* means a document required for the purposes of this
21 ordinance to show proof of residency. This form can be obtained at the City of Detroit's Assessor's
22 Office.

1 *Radial measurement* means the measurement between two properties, measured as the
2 shortest straight line connecting such properties, drawn irrespective of intervening property lines,
3 rights-of-way, or natural or built environment.

4 *Remain on the premises* means the host is present during the entire rental period and stays
5 on the property overnight while it is utilized as a short term rental.

6 *Rent* or *Rental* means to permit, provide for, or offer possession or occupancy of a
7 residential property to a guest for compensation or any consideration.

8 *Rooming Unit* means a room rented as sleeping and living quarters, but without cooking
9 facilities and with or without an individual bathroom. In a suite of rooms without cooking facilities,
10 each room which provides sleeping accommodations shall be counted as one rooming unit for
11 purposes of this Subdivision.

12 *Short Term Rental* means any rental of a dwelling unit, or rooming unit in exchange for
13 compensation or other consideration, as lodging accommodations for at least one night, but no
14 more than 90 cumulative days of the year.

15 **Sec. 8-15-100.3. Residency requirement.**

16 (a) Any property used as a short term rental located in the City must be the host's
17 principal residence.

18 (b) This ordinance shall not apply to hosts who remain on the premises when utilizing
19 their property as a short term rental.

20 **Sec. 8-15 – 100.4. Registration required.**

21 (a) Any dwelling unit or rooming unit used as a short term rental shall be registered
22 with the Department. Use of any unregistered property as a short term rental is prohibited.

1 (b) A complete registration application must be submitted to the Department beginning
2 January 15th through January 31st.

3 (c) Registration of a property to be used as a short term rental shall be made by the host
4 of the property, on an application provided by the Department, and shall include the following:

5 (1) Name, address, telephone number and email address of the host for the property.

6 (2) Proof of Ownership and Residency.

7 a. Ownership shall be established by the recorded deed or land contract for the
8 property.

9 b. Residency shall be established by obtaining a Principal Residence
10 Exemption form and one of the following documents, which must list the
11 host's name and address of the short term rental property on the document:

12 1. The host's motor vehicle registration;

13 2. A valid driver's license or state identification card;

14 3. Current property tax documents;

15 4. Utility bill;

16 5. Municipal Identification;

17 6. Voter registration card; or

18 7. W-2 mailing.

19 (3) Total number of bedrooms in the dwelling unit to be available for rent.

20 (4) Total number of parking spaces provided for the dwelling unit or rooming unit. If
21 the applicant lives in an area that requires a permit or pass for parking, they must
22 indicate how many permits or passes are available for guests and visitors.

23 (5) Maximum number of guests that each dwelling or rooming unit can accommodate.

1 (6) Name and telephone number of the 24-hour local contact person for the property.

2 (d) A short term rental property registration shall not be transferred and is valid only at
3 the short term rental property address registered with the City.

4 (e) A short term rental property shall not be located on a lot that is within 1000 feet,
5 measured linearly, of a lot on which another short term rental property is located, unless permission
6 is given by the Department. The Department is authorized to permit short term rental properties
7 within 1000 linear feet of one another, however the Department may not extend its discretion more
8 than 10% of the 1000 linear foot requirement, and all other criteria listed in this Subdivision must
9 be met by the applicant.

10 **Sec. 8-15-100.5. Submittal of affidavit.**

11 In addition to the requirements contained in Section 8-15-100.4 of this Subdivision, the
12 host shall submit an affidavit, on a form provided by the Department, certifying the following:

- 13 (1) That the property used as a short term rental is the host's principal residence;
- 14 (2) That the host is an individual and not a business entity, property management
15 company or an organization;
- 16 (3) That a working smoke alarm is installed in each bedroom;
- 17 (4) That a working carbon monoxide detector is installed in every dwelling unit;
- 18 (5) That a working fire extinguisher is installed on each floor;
- 19 (6) That the host will inspect the devices identified in Subsections (3) (4) and (5) of
20 this section at least every 90 days to ensure they are unexpired and in proper
21 working order;
- 22 (7) That the host has obtained and provided a copy of liability insurance to cover the
23 short term rental use;

- 1 (8) That the property is not currently in violation of this Code or any state or federal
2 housing laws and is in habitable condition;
- 3 (9) That host is not in arrears or in default to the City, including any unpaid, outstanding
4 and/or delinquent property tax, income tax, special assessments and/or blight fines;
- 5 (10) That the host will make the dwelling unit or rooming unit available to the City for
6 inspection upon request from the Department;
- 7 a. Inspections may be conducted if there have been complaints regarding the
8 property; or if the Department has a reasonable basis to request an
9 inspection.
- 10 b. If the host refuses to allow inspections by the City, the host's short term
11 rental property may be removed from the City's registration list.
- 12 c. If a short term rental property is removed from the City's registration list,
13 the Department shall provide written notice to the host thirty days prior to
14 removal.
- 15 (11) That, if the registration is approved and issued, the host shall file a written
16 acknowledgement and agreement that the host will assume all risk and indemnify,
17 defend and hold the City harmless concerning the City's approval of the
18 registration, the operation and maintenance of the short term rental property, and
19 any other matter relating to the offering or use of the short term rental property;
20 and,
- 21 (12) Such other information as the City deems appropriate.

1 **Sec. 8-15-100.6. Fee.**

2 (a) A non-refundable fee shall be required for the initial registration of a short term
3 rental property under this Subdivision and shall be included on the application form.

4 (b) Registration for a short term rental is valid for one year beginning February 1st of
5 each year and expiring January 31st. Upon the expiration of a registered property, each applicant
6 shall pay the annual fee to renew the registration.

7 (c) The short term rental registration of the property shall be terminated upon the
8 transfer or conveyance of the property.

9 (d) The fee shall be published on the City's website.

10 **Sec. 8-15-100.7. Approval of application.**

11 (a) Subject to the limitations in Section 8-1-100.4, the Department may approve an
12 application for registration of a short term rental property if the applicant has completed the
13 following requirements:

14 (1) Submitted a timely and complete application and affidavit;

15 (2) Paid the registration fee; and,

16 (3) Made improvements to the residence consistent with the application, and is
17 prepared to operate the residence as a short term rental in compliance with this
18 Code.

19 (b) The Department shall have the discretion to deny any application that does not meet
20 the requirements of this Subdivision or any other applicable law, rule or regulation, or an
21 application that contains any false or incomplete information.

1 (c) An annual registration shall be filed with the City and, if approved, the Department
2 will place the address on an online registry made available to the public and a Certificate of
3 Registration shall be provided to the applicant by the Department.

4 (d) The Department shall provide a list of the short term rental properties registered
5 with the City to the Detroit Police Department.

6 **Sec. 8-15-100.8. General requirements of a short term rental.**

7 (a) The requirements of this Subdivision shall apply to all short term rental properties
8 in the City, but shall not apply to principal transient accommodations listed in Chapter 36, *Public*
9 *Accommodations*, of this Code.

10 (b) A host may not rent all or a portion of the short term rental property to more than
11 one group of guests, under more than one reservation, at a given time.

12 (c) All lodging is to be exclusively within the dwelling unit, which may include a
13 carriage house, or garage apartment. Lodging is prohibited in a recreational vehicle, camper, or
14 tent.

15 (d) A short term rental property may not be used by more than ten people at one time,
16 unless a stricter limit applies pursuant to state or local laws.

17 (e) The host shall not rent the unit for more than 90 cumulative days of the calendar
18 year.

19 (f) The host shall provide to all guests in an electronic form, and post in a conspicuous
20 place in the short term rental property, the Certificate of Registration provided by the City for that
21 short term rental property.

22 (g) Within thirty days of approval of the application, the host shall:

- 1 (1) Using a form provided by the City, notify neighboring dwelling units within 300
2 radial feet of the short term rental property that the property is registered as a short
3 term rental with the City and provide the neighbor with the local contact person's
4 telephone number. For multi-family dwelling units used as a short term rental, the
5 local contact person's information shall be given to the property manager; and,
6 (2) Submit the form to the Department and confirm by affidavit that such notification
7 has been provided.

8 (h) Utilization of property as a short term rental shall not adversely affect the
9 development, character, and enjoyment of the surrounding property.

10 (i) The host or guest occupying the property shall provide an unexpired Certificate of
11 Registration upon request of any inquiring police officer or City agent and shall respond to
12 reasonable inquiries by the police officer, or City agent, regarding the lawful use of the short term
13 rental property.

14 **Sec. 8-15-100.9. Guest regulations.**

15 (a) The use of a short term rental property shall not generate noise, vibration, glare,
16 odors, or other effects that unreasonably interfere with any person's enjoyment of his or her
17 residence.

18 (b) Guests of guests shall be allowed only between the hours of 8:00 a.m. and 12:00
19 a.m.

20 (c) Guests shall be notified by the host, that excessive noise is prohibited as specified
21 under Chapter 16 of this Code and such violators shall be subject to fines and penalties as set forth
22 in Section 8-15-100.14 of this Subdivision.

1 **Sec. 8-15-100.10. Local contacts.**

2 (a) A short term rental property host must identify an individual or individuals to serve
3 as a local contact and respond to emergency situations, if the host is not on the premises.

4 (b) A local contact person designated under Subsection (a) of this section must be
5 physically available to respond within one hour after being notified of an emergency by a guest of
6 the short term rental property, by a City of Detroit employee, or by an individual entitled to notice
7 of the contact information.

8 (c) If there is a change related to a local contact person, the host of the short term rental
9 must provide updated or new information to the Department and neighbors within 300 radial feet
10 of the short term rental property, in writing within two weeks. If the property is used as short term
11 rental within the two weeks required of the host to provide the local contact information, the host
12 must notify the Department and neighbors sooner with the updated information prior to using it as
13 a short term rental.

14 (d) The host shall provide guests the local contact information, including a phone
15 number of the local contact with responsibility to take action to resolve any complaints regarding
16 the condition, operation or maintenance of the short term rental property.

17 **Sec. 8-15-100.11. Hosting platform requirements.**

18 (a) A hosting platform shall not offer or accept a fee for booking a property that is not
19 a registered short term rental with the City.

20 (b) A hosting platform shall provide to the Department, within 45 days of the effective
21 date of this ordinance, contact information for an employee or representative that will respond to
22 requests for information or verification of violations of this Subdivision. Hosting platforms

1 established after the effective date of this ordinance shall provide this information prior to
2 facilitating short term rentals in the City.

3 (c) The hosting platform shall provide a report to the Department on a quarterly basis
4 in an electronic format, stating:

5 (1) The short term rental properties maintained, authorized, facilitated or advertised by
6 the hosting platform within the City of Detroit for the applicable reporting period;

7 (2) The location of the short term rental properties listed on the hosting platform's
8 forum;

9 (3) The total number of nights that the short term rental was occupied during the
10 period; and,

11 (4) The amount of total compensation for each stay.

12 **Sec. 8-15-100.12. Vested rights.**

13 Except in instances where constitutional principles or binding state or federal laws
14 otherwise provide, the provisions of this Subdivision and any ordinances or other measures
15 concerning short term rentals are not a grant of vested rights to continue as a short term rental
16 property indefinitely. Any short term rental property use and registration are subject to provisions
17 of this Subdivision and other ordinances, resolutions, or other City measures concerning short term
18 rental properties that may be enacted or adopted at a later date, even though such ordinances,
19 resolutions, or other City measures may change the terms, conditions, allowance, or duration for
20 short term rental property use, including but not limited to those that may terminate some or all
21 short term rental property uses in the City.

1 **Sec. 8-15-100.13. Violations; removal from the City's short term rental registry and**
2 **reapplication.**

3 (a) In accordance with Section 41(3) of the *Michigan Home Rule City Act*, being MCL
4 117.41(4) and Sections 1-1-9(a)(3) and 3-2-1, of the 1984 Detroit City Code, a violation of this
5 Subdivision is deemed to be a blight violation.

6 (b) Any person, including, but not limited to: hosts, guests, or hosting platforms,
7 violating any section of this Subdivision may be issued a blight violation notice for each day that
8 the violation continues.

9 (c) A host may be removed from the City's short term rental registry in the event that:
10 (1) An applicant provided false information on the application;
11 (2) The short term rental property is operated as a nuisance, with excessive noise, trash
12 or traffic;
13 (3) The continuation of the short term rental property presents a threat to public health
14 or safety;

15 (4) The host violates regulations of this Code; or,
16 (5) The host is found responsible for more than three incidences that resulted in a blight
17 violation for the short term rental property in a calendar year.

18 (d) If a short term rental property has been removed from the City's registry, the
19 Department shall not approve a new application submitted from the same host for the same
20 property for six months following the removal. After the six months has expired, the host may
21 apply for the short term rental property registration again.

1 **Sec. 8-15-100.14. Procedures for denial or removal of a short term rental registration.**

2 (a) The Department shall deny an application for a short term rental, including the
3 renewal of an existing registration, by mailing a written notice to the applicant that states the basis
4 for the denial. Any applicant aggrieved by the denial of a short term rental registration shall be
5 entitled to a hearing before the Director of the Department or a designated hearing officer. A
6 request for a hearing on the registration denial shall be in writing and addressed to the Director of
7 the Department, and must be made within 30 days of the mailing of the notice of denial to the
8 applicant. A hearing pursuant to a timely request shall be scheduled at the earliest possible date,
9 but not later than 30 days after the receipt of the request for a hearing. The applicant and the
10 appropriate City departments shall be notified of the hearing by the Department at least seven days
11 prior to the hearing. The hearing may be adjourned only by agreement of the parties or, upon cause
12 shown, by order of the Director or hearing officer. In the absence of a request for a hearing on the
13 denial of a short term rental registration, the denial shall be deemed final.

14 (b) Where the Department is presented with evidence that shows that cause exists to
15 deny or remove a short term rental registration pursuant this Subdivision, the Department shall
16 notify the host, in writing, of its intent to deny or remove the registration and the basis therefore.
17 The letter from the Department shall direct the host to show cause at a hearing before the Director
18 of the Department or a designated hearing officer, why the registration should not be denied or
19 removed. The notice shall include the date, time and place for the show cause hearing, which shall
20 be scheduled not less than seven days from the date of the mailing of the notice.

21 (c) Where the Director of the Department makes a determination that there is an
22 immediate threat to the public health or safety and welfare as a result of the continued operation
23 of a short term rental, the Director is authorized to immediately remove a registration. The host

1 shall be notified of the removal by the Department, by mail and if possible in person, with the
2 notice specifying the basis for the emergency removal of the registration. The Department shall
3 schedule a show cause hearing within seven days, provided, that upon a written request to the
4 Department, the host shall be entitled to a hearing within 48 hours of the receipt of the written
5 notice in order to ascertain whether the emergency removal of the registration shall continue.

6 (d) At a hearing pursuant to this Section, the Department shall present relevant
7 evidence in support of the denial or removal of the short term rental registration. The applicant or
8 host shall be given an opportunity at the hearing to present relevant evidence in support of the
9 issuance or continuation of the registration.

10 (e) Where the host fails to appear and show cause why the registration should not be
11 denied or removed in accordance with this Section, the registration shall be removed effective at
12 the end of the City's business day on which the show cause hearing was regularly scheduled.

13 (f) A hearing that is held pursuant to this Section shall be conducted in accordance
14 with the rules for conducting administrative hearings adopted in accordance with Section 2-111 of
15 the 2012 Detroit City Charter.

16 (g) Notice provided for in this Section shall be sent by certified mail, return receipt
17 requested, and regular mail to the applicant or host at the address on record with the Department.

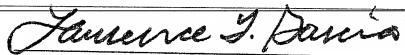
18 **Secs. 8-15-100.15 -8-15-100. 30 Reserved.**

Section 2. This ordinance is hereby declared necessary to preserve the public peace, health, safety, and welfare of the People of the City of Detroit.

Section 3. All ordinances, or parts of ordinances, that conflict with this ordinance are repealed.

Section 4. In the event this ordinance is passed by two-thirds (2/3) majority of City Council Members serving, it shall be given immediate effect and become effective upon publication in accordance with Section 4-118 of the 2012 Detroit City Charter. Where this ordinance is passed by less than a two-thirds (2/3) majority of City Council Members serving, it shall become effective on the thirtieth (30) day after enactment, or on the first business day thereafter, in accordance with Section 4-118 of the 2012 Detroit City Charter.

Approved as to form:



Lawrence T. García
Corporation Counsel